KLICKITAT COUNTY
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RENEA CAMPBELL
KLICKITAT COUNTY CLERK

Judge Randal C. Krog
Civil

STATE OF WASHINGTON
KLICKITAT COUNTY SUPERIOR COURT

BENJAMIN PETTER; LAUREN PETTER; ROBERT MERCER; BRENDA MERCER; CURT NUCCITELLI; BEATRICE GASPER; ETHNIC CHAMBER OF COMMERCE COALITION; YAKIMA KLICKITAT FARM ASSOCIATION; BUILDING INDUSTRY ASSOCIATION OF WASHINGTON; and NATIONAL FEDERATION OF INDEPENDENT BUSINESS, INC.,

Plaintiffs,

v.

STATE OF WASHINGTON; DEPARTMENT OF REVENUE OF THE STATE OF WASHINGTON; and JOHN RYSER, as Acting Director of the Department of Revenue of the State of Washington,

Defendants.

NO. 26-2-00073-20

DEFENDANTS' ANSWER TO FIRST AMENDED COMPLAINT FOR DECLARATORY RELIEF

Defendants State of Washington, Department of Revenue of the State of Washington, and John Ryser in his official capacity as Acting Director of the Department of Revenue, answer the Plaintiffs' First Amended Complaint for Declaratory Relief (Amended Complaint) as follows:

Except as specifically admitted in this Answer, the Defendants deny every factual allegation set forth in the Amended Complaint.

1. Paragraph 1 of the Amended Complaint consists of Plaintiffs' rhetorical preamble and requires no answer.

Attorney General of Washington
Revenue Division
7141 Cleanwater Drive SW
PO Box 40123
Olympia, WA 98504-0123
(360) 753-5528

2. Paragraph 2 of the Amended Complaint contains Plaintiffs' summary of aspects of Article VII, sections 1 and 2, of the Washington constitution and requires no answer. To the extent a response is required, Defendants deny that the summary is complete or accurate.

3. Paragraph 3 of the Amended Complaint contains Plaintiffs' summary of aspects of Washington law and requires no answer. To the extent a response is required, Defendants deny that the summary is complete or accurate. By way of example, the Washington Supreme Court has consistently held that an excise tax may be measured by income. *See, e.g., State ex rel. Stiner v. Yelle*, 174 Wash. 402, 407, 25 P.2d 91 (1933) (upholding Washington's 1933 occupation tax as a valid excise tax, and explaining that whether a tax "is measured by . . . income in no way affects" whether it is a tax on property for purposes of article VII); *Mahler v. Tremper*, 40 Wn.2d 405, 407, 243 P.2d 627 (1952) (Washington's real estate excise tax, measured by the gross proceeds from the sale of real property, is a valid excise tax). And as recently as 2023, the Court reemphasized that excise taxes may be measured by income. *Quinn v. State*, 1 Wn.3d 453, 478-79, 526 P.3d 1 (2023) (upholding Washington's capital gains tax as a valid excise tax).

4. Paragraph 4 of the Amended Complaint contains Plaintiffs' summary and rhetoric pertaining to aspects of Washington history and requires no answer. To the extent a response is required, Defendants deny that the summary is complete or accurate.

5. With respect to paragraph 5 of the Amended Complaint, Defendants admit that the legislature enacted Engrossed Substitute Senate Bill 6346, and admit that the Governor signed the law on March 30, 2026. Defendants deny any remaining allegations contained in paragraph 5.

6. Paragraph 6 of the Amended Complaint contains Plaintiffs' summary of aspects of the tax imposed by ESSB 6346 and requires no answer. To the extent a response is required, Defendants deny that the summary is complete or accurate.

7. Paragraph 7 of the Amended Complaint sets out Plaintiffs' legal arguments, contains no factual allegations, and does not require an answer.

Attorney General of Washington
Revenue Division
7141 Cleanwater Drive SW
PO Box 40123
Olympia, WA 98504-0123
(360) 753-5528

8. Paragraph 8 of the Amended Complaint contains Plaintiffs' summary of aspects of Article II, section 19, of the Washington constitution and requires no answer. To the extent a response is required, Defendants deny that the summary is complete or accurate.

9. Paragraph 9 of the Amended Complaint sets out Plaintiffs' legal arguments, contains no factual allegations, and does not require an answer.

10. Paragraph 10 of the Amended Complaint sets forth the relief requested by the Plaintiffs and requires no answer. To the extent an answer is required, Defendants deny that Plaintiffs are entitled to any relief.

11. Defendants are without sufficient knowledge at this time regarding the factual allegations contained in paragraph 11 of the Amended Complaint and, therefore, deny the same.

12. Defendants are without sufficient knowledge at this time regarding the factual allegations contained in paragraph 12 of the Amended Complaint and, therefore, deny the same.

13. Defendants are without sufficient knowledge at this time regarding the factual allegations contained in paragraph 13 of the Amended Complaint and, therefore, deny the same.

14. With respect to paragraph 14 of the Amended Complaint, Defendants deny any factual allegations contained in the fourth through seventh sentences. Defendants are without sufficient knowledge at this time regarding the factual allegations contained in the first, second, third, and last sentences and, therefore, deny the same.

15. With respect to paragraph 15 of the Amended Complaint, Defendants deny any factual allegations contained in the fifth through seventh sentences. Defendants are without sufficient knowledge at this time regarding the factual allegations contained in the first, second, third, fourth, and last sentences and, therefore, deny the same.

16. With respect to paragraph 16 of the Amended Complaint, Defendants deny any factual allegations contained in the fifth through seventh sentences. Defendants are without sufficient knowledge at this time regarding the factual allegations contained in the first, second, third, fourth and last sentences and, therefore, deny the same.

Attorney General of Washington
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17. With respect to paragraph 17 of the Amended Complaint, Defendants deny any factual allegations contained in the sixth through eighth sentences. Defendants are without sufficient knowledge at this time regarding the factual allegations contained in the first, second, third, fourth, fifth, and last sentences and, therefore, deny the same.

18. Paragraph 18 of the Amended Complaint sets out Plaintiffs' purported interest in invalidating ESSB 6346, contains no factual allegations, and does not require an answer.

19. Defendants admit the allegations contained in paragraph 19 of the Amended Complaint.

20. Defendants admit the allegations contained in paragraph 20 of the Amended Complaint.

21. Defendants admit the allegations contained in paragraph 21 of the Amended Complaint.

22. With respect to paragraph 22 of the Amended Complaint, Defendants are without sufficient knowledge at this time regarding the factual allegations contained in the first and second sentences and, therefore, deny the same. The last sentence of paragraph 22 sets out the purported interest of several of the named plaintiffs in invalidating ESSB 6346, contains no factual allegations, and does not require an answer.

23. With respect to paragraph 23 of the Amended Complaint, Defendants are without sufficient knowledge at this time regarding the factual allegations contained in the first through fourth sentences and, therefore, deny the same. The last sentence of paragraph 23 contains no factual allegations and does not require an answer. To the extent a response is required, the Defendants deny that the ECCC has established that it has standing to challenge ESSB 6346.

24. With respect to paragraph 24 of the Amended Complaint, Defendants are without sufficient knowledge at this time regarding the factual allegations contained in the first through fourth sentences and, therefore, deny the same. The last sentence of paragraph 24 contains no

Attorney General of Washington
Revenue Division
7141 Cleanwater Drive SW
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Olympia, WA 98504-0123
(360) 753-5528

factual allegations and does not require an answer. To the extent a response is required, the Defendants deny that the YKFA has established that it has standing to challenge ESSB 6346.

25. With respect to paragraph 25 of the Amended Complaint, Defendants are without sufficient knowledge at this time regarding the factual allegations contained in the first through fourth sentences and, therefore, deny the same. The last sentence of paragraph 25 contains no factual allegations and does not require an answer. To the extent a response is required, the Defendants deny that the BIAW has established that it has standing to challenge ESSB 6346.

26. With respect to paragraph 26 of the Amended Complaint, Defendants are without sufficient knowledge at this time regarding the factual allegations contained in the first through fourth sentences and, therefore, deny the same. The last sentence of paragraph 26 contains no factual allegations and does not require an answer. To the extent a response is required, the Defendants deny that the NFIB has established that it has standing to challenge ESSB 6346.

27. Defendants deny the allegations contained in paragraph 27 of the Amended Complaint.

28. With respect to paragraph 28 of the Amended Complaint, Defendants admit that the Court has subject matter jurisdiction to hear this action. The Defendants deny any remaining factual allegations contained in paragraph 28.

29. Defendants admit the allegations contained in paragraph 29 of the Amended Complaint.

30. With respect to the first sentence of paragraph 30 of the Amended Complaint, Defendants admit that venue may be proper in Klickitat County Superior Court, although it is principally a legal question that requires no answer. The remainder of paragraph 30 consists of Plaintiffs' legal argument, contains no factual allegations, and does not require an answer.

31. Paragraph 31 of the Amended Complaint contains Plaintiffs' summary of aspects of Article VII, sections 1 and 2, of the Washington constitution and requires no answer. To the extent a response is required, Defendants deny that the summary is complete or accurate.

Attorney General of Washington
Revenue Division
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32. Paragraph 32 of the Amended Complaint contains Plaintiffs' summary of aspects of Washington law and requires no answer. To the extent a response is required, Defendants deny that the summary is complete or accurate.

33. Paragraph 33 of the Amended Complaint contains Plaintiffs' summary of aspects of Washington law and requires no answer. To the extent a response is required, Defendants deny that the summary is complete or accurate.

34. Paragraph 34 of the Amended Complaint consists of Plaintiffs' rhetorical argument concerning the constitutionality of ESSB 6346, contains no factual allegations, and does not require an answer.

35. Paragraph 35 of the Amended Complaint consists of Plaintiffs' rhetorical argument concerning what they contend is the will of Washington voters and requires no answer. To the extent a response is required, Defendants deny that Plaintiffs have accurately determined the will of Washington voters.

36. Paragraph 36 of the Amended Complaint consists of Plaintiffs' rhetorical argument concerning what they contend is the will of Washington voters and requires no answer. To the extent a response is required, Defendants deny that Plaintiffs have accurately determined the will of Washington voters.

37. Paragraph 37 of the Amended Complaint consists of Plaintiffs' rhetorical argument concerning what they contend is the will of Washington voters and requires no answer. To the extent a response is required, Defendants deny that Plaintiffs have accurately determined the will of Washington voters.

38. Paragraph 38 of the Amended Complaint consists of Plaintiffs' rhetorical argument concerning what they contend is the will of Washington voters and requires no answer. To the extent a response is required, Defendants deny that Plaintiffs have accurately determined the will of Washington voters.

Attorney General of Washington
Revenue Division
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39. Paragraph 39 of the Amended Complaint consists of Plaintiffs' rhetorical argument concerning what they contend is the will of Washington voters and requires no answer. To the extent a response is required, Defendants deny that Plaintiffs have accurately determined the will of Washington voters.

40. Paragraph 40 of the Amended Complaint consists of Plaintiffs' rhetorical argument concerning what they contend was the impetus behind recently enacted ESSB 6346 and requires no answer. To the extent a response is required, Defendants deny that Plaintiffs have accurately or completely described the impetus behind the recently enacted law.

41. Paragraph 41 of the Amended Complaint consists of Plaintiffs' rhetorical argument concerning what they contend was the impetus behind recently enacted ESSB 6346 and requires no answer. To the extent a response is required, Defendants deny that Plaintiffs have accurately or completely described the impetus behind the recently enacted law.

42. Paragraph 42 of the Amended Complaint consists of Plaintiffs' rhetorical argument concerning what they contend was the impetus behind recently enacted ESSB 6346 and requires no answer. To the extent a response is required, Defendants deny that Plaintiffs have accurately or completely described the impetus behind the recently enacted law.

43. Paragraph 43 of the Amended Complaint consists of Plaintiffs' rhetorical argument concerning what they contend was the impetus behind recently enacted ESSB 6346 and requires no answer. To the extent a response is required, Defendants deny that Plaintiffs have accurately or completely described the impetus behind the recently enacted law.

44. Paragraph 44 of the Amended Complaint consists of Plaintiffs' rhetorical argument concerning what they contend was the impetus behind recently enacted ESSB 6346 and requires no answer. To the extent a response is required, Defendants deny that Plaintiffs have accurately or completely described the impetus behind the recently enacted law.

45. Paragraph 45 of the Amended Complaint consists of Plaintiffs' rhetorical argument concerning what they contend was the impetus behind recently enacted ESSB 6346 and

Attorney General of Washington
Revenue Division
7141 Cleanwater Drive SW
PO Box 40123
Olympia, WA 98504-0123
(360) 753-5528

requires no answer. To the extent a response is required, Defendants deny that Plaintiffs have accurately or completely described the impetus behind the recently enacted law.

46. Paragraph 46 of the Amended Complaint consists of Plaintiffs' rhetorical argument concerning what they contend was the impetus behind recently enacted ESSB 6346 and requires no answer. To the extent a response is required, Defendants deny that Plaintiffs have accurately or completely described the impetus behind the recently enacted law.

47. With respect to paragraph 47 of the Amended Complaint, Defendants admit the first sentence. The second sentence consists of Plaintiffs' rhetorical argument concerning what they contend was the legislative goal in passing ESSB 6346 and requires no answer. To the extent a response is required, Defendants deny that Plaintiffs have accurately or completely described the legislative goal in passing ESSB 6346.

48. Defendants admit the allegations in paragraph 48 of the Amended Complaint.

49. Paragraph 49 of the Amended Complaint quotes the title of ESSB 6346 and requires no answer. To the extent a response is required, Defendants admit that Plaintiffs have accurately quoted the title.

50. Paragraph 50 of the Amended Complaint contains Plaintiffs' summary of aspects of ESSB 6346 and requires no answer. To the extent a response is required, Defendants deny that the summary is complete or accurate.

51. Paragraph 51 of the Amended Complaint contains Plaintiffs' summary of aspects of ESSB 6346 and requires no answer. To the extent a response is required, Defendants deny that the summary is complete or accurate.

52. Paragraph 52 of the Amended Complaint contains Plaintiffs' summary of aspects of ESSB 6346 and requires no answer. To the extent a response is required, Defendants deny that the summary is complete or accurate.

Attorney General of Washington
Revenue Division
7141 Cleanwater Drive SW
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Olympia, WA 98504-0123
(360) 753-5528

53. Paragraph 53 of the Amended Complaint contains Plaintiffs' summary of aspects of ESSB 6346 and requires no answer. To the extent a response is required, Defendants deny that the summary is complete or accurate.

54. Paragraph 54 of the Amended Complaint contains Plaintiffs' summary of aspects of ESSB 6346 and requires no answer. To the extent a response is required, Defendants deny that the summary is complete or accurate.

55. Paragraph 55 of the Amended Complaint contains Plaintiffs' summary of aspects of ESSB 6346 and requires no answer. To the extent a response is required, Defendants deny that the summary is complete or accurate.

56. Paragraph 56 of the Amended Complaint contains Plaintiffs' summary of aspects of ESSB 6346 and requires no answer. To the extent a response is required, Defendants deny that the summary is complete or accurate.

57. Paragraph 57 of the Amended Complaint contains Plaintiffs' summary of aspects of ESSB 6346 and requires no answer. To the extent a response is required, Defendants deny that the summary is complete or accurate.

58. Paragraph 58 of the Amended Complaint contains Plaintiffs' summary of aspects of ESSB 6346 and requires no answer. To the extent a response is required, Defendants deny that the summary is complete or accurate.

59. Paragraph 59 of the Amended Complaint contains Plaintiffs' summary of aspects of ESSB 6346 and requires no answer. To the extent a response is required, Defendants deny that the summary is complete or accurate.

60. Defendants admit the allegations contained in paragraph 60 of the Amended Complaint.

61. Defendants admit the allegations contained in paragraph 61 of the Amended Complaint.

Attorney General of Washington
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62. Paragraph 62 of the Amended Complaint consists of Plaintiffs' rhetorical argument concerning what they contend is attractive to entrepreneurs and business owners and requires no answer. To the extent a response is required, Defendants deny that Plaintiffs have accurately determined what attracts entrepreneurs and business owners to Washington.

63. Paragraph 63 of the Amended Complaint consists of Plaintiffs' rhetorical argument concerning what they contend is the impetus for Washington's current economic climate and requires no answer. To the extent a response is required, Defendants deny that Plaintiffs have accurately determined the impetus for Washington's current economic climate.

64. Paragraph 64 of the Amended Complaint consists of Plaintiffs' rhetorical argument concerning what they contend is the impetus for Washington's current economic climate and requires no answer. To the extent a response is required, Defendants deny that Plaintiffs have accurately determined the impetus for Washington's current economic climate.

65. Paragraph 65 of the Amended Complaint consists of Plaintiffs' rhetorical argument concerning their viewpoint towards a state personal income tax, along with their speculation of future events, and requires no answer. To the extent a response is required, Defendants deny that Plaintiffs' viewpoint or speculation is accurate.

66. With respect to the statement set out in paragraph 66 of the Amended Complaint, Defendants do not believe an answer is required. To the extent paragraph 66 includes any allegations of fact, Defendants incorporate and reassert their prior answers to paragraphs 1 through 65.

67. With respect to the statement set out in paragraph 67 of the Amended Complaint, Defendants admit that the Amended Complaint sets out a justiciable controversy under the Uniform Declaratory Judgment Act, but deny any remaining factual allegations.

68. Paragraph 68 of the Amended Complaint consists of Plaintiffs' legal arguments and requires no answer. To the extent a response is required, Defendants deny that Plaintiffs have correctly summarized the law.

Attorney General of Washington
Revenue Division
7141 Cleanwater Drive SW
PO Box 40123
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(360) 753-5528

69. With respect to the statement set out in paragraph 69 of the Amended Complaint, Defendants admit that the Amended Complaint sets out a justiciable controversy under the Uniform Declaratory Judgment Act, but deny any remaining factual allegations.

70. Paragraph 70 of the Amended Complaint sets forth the relief requested by the Plaintiffs and requires no answer. To the extent an answer is required, Defendants deny that Plaintiffs are entitled to any relief.

71. Paragraph 71 of the Amended Complaint consists solely of a purported reservation of rights to raise additional claims and requires no answer. To the extent a response is required, Defendants deny that the Plaintiffs have reserved rights beyond those provided by statute or under the Civil Rules.

72. With respect to the statement set out in paragraph 72 of the Amended Complaint, Defendants do not believe an answer is required. To the extent paragraph 72 includes any allegations of fact, Defendants incorporate and reassert their prior answers to paragraphs 1 through 71.

73. With respect to the statement set out in paragraph 73 of the Amended Complaint, Defendants admit that the Amended Complaint sets out a justiciable controversy under the Uniform Declaratory Judgment Act, but deny any remaining factual allegations.

74. Paragraph 74 of the Amended Complaint consists of Plaintiffs' legal arguments and requires no answer. To the extent a response is required, Defendants deny that Plaintiffs have correctly summarized the law.

75. With respect to the statement set out in paragraph 75 of the Amended Complaint, Defendants admit that the Amended Complaint sets out a justiciable controversy under the Uniform Declaratory Judgment Act, but deny any remaining factual allegations.

76. Paragraph 76 of the Amended Complaint sets forth the relief requested by the Plaintiffs and requires no answer. To the extent an answer is required, Defendants deny that Plaintiffs are entitled to any relief.

Attorney General of Washington
Revenue Division
7141 Cleanwater Drive SW
PO Box 40123
Olympia, WA 98504-0123
(360) 753-5528

77. Paragraph 77 of the Amended Complaint consists solely of a purported reservation of rights to raise additional claims and requires no answer. To the extent a response is required, Defendants deny that the Plaintiffs have reserved rights beyond those provided by statute or under the Civil Rules.

78. With respect to the statement set out in paragraph 78 of the Amended Complaint, Defendants do not believe an answer is required. To the extent paragraph 78 includes any allegations of fact, Defendants incorporate and reassert their prior answers to paragraphs 1 through 77.

79. With respect to the statement set out in paragraph 79 of the Amended Complaint, Defendants admit that the Amended Complaint sets out a justiciable controversy under the Uniform Declaratory Judgment Act, but deny any remaining factual allegations.

80. Paragraph 80 of the Amended Complaint consists of Plaintiffs' legal arguments and requires no answer. To the extent a response is required, Defendants deny that Plaintiffs have correctly summarized the law.

81. With respect to the statement set out in paragraph 81 of the Amended Complaint, Defendants admit that the Amended Complaint sets out a justiciable controversy under the Uniform Declaratory Judgment Act, but deny any remaining factual allegations.

82. Paragraph 82 of the Amended Complaint sets forth the relief requested by the Plaintiffs and requires no answer. To the extent an answer is required, Defendants deny that Plaintiffs are entitled to any relief.

83. Paragraph 83 of the Amended Complaint consists solely of a purported reservation of rights to raise additional claims and requires no answer. To the extent a response is required, Defendants deny that the Plaintiffs have reserved rights beyond those provided by statute or under the Civil Rules.

Attorney General of Washington
Revenue Division
7141 Cleanwater Drive SW
PO Box 40123
Olympia, WA 98504-0123
(360) 753-5528

REQUEST FOR RELIEF

WHEREFORE, having answered the allegations in Plaintiffs' Amended Complaint, the Defendants request the following relief:

1. That the Court deny each of Plaintiffs' claims for relief;

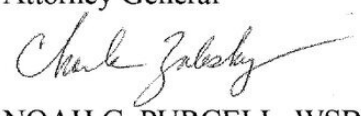
2. That the Court dismiss this action;

3. That the Court order Plaintiffs to pay the Defendants for their costs and attorneys' fees incurred in defense of this matter; and

4. For such other relief as the Court may deem just and reasonable.

DATED this 15th day of May, 2026.

NICHOLAS W. BROWN
Attorney General



NOAH G. PURCELL, WSBA No. 43492
Solicitor General
PETER B. GONICK, WSBA No. 25616
Deputy Solicitor General
DAN JENSEN, WSBA No. 34328
Senior Assistant Attorney General
CHARLES ZALESKY, WSBA No. 37777
Senior Counsel
Attorneys for Defendants
OID Nos. 91027 and 91087

PROOF OF SERVICE

I certify that I served a copy of this document, via electronic service, per agreement, on the following:

Robert M. McKenna
Daniel J. Dunne, Jr.
Cesar Lopez-Morales
Orrick, Herrington & Sutcliffe LLP
401 Union Street, Suite 3300
Seattle, WA 98101
rmckenna@orrick.com
ddunne@orrick.com
clopez-morales@orrick.com
lpeterson@orrick.com
PATeam7@orrick.com

Philip Talmadge
Talmadge Fitzpatrick PLLC
2775 Harbor Avenue Southwest, 3rd Floor, Suite C
Seattle, WA 98126
phil@tal-fitzlaw.com
matt@tal-fitzlaw.com

I further certify that I served a copy of this document, via U.S. Mail, postage prepaid, through Consolidated Mail Services, and a courtesy copy via electronic mail, on the following:

Jackson Maynard
Maynard Law PLLC
111 21st Ave SW
Olympia, WA 98501
jackson@citizenactiondefense.org

I certify under penalty of perjury under the laws of the State of Washington that the foregoing is true and correct.

DATED this 15th day of May, 2026, at Olympia, WA.

Brianna Hamilton

Brianna Hamilton, Paralegal

Attorney General of Washington
Revenue Division
7141 Cleanwater Drive SW
PO Box 40123
Olympia, WA 98504-0123
(360) 753-5528